USDA/FNS/Food Distribution

Project No. 6

(Completed)

Project No. 6: Multi-Stop Pilot

State Partner: Texas, Colorado, Kentucky and Florida

Industry Partner: All USDA vendors delivering commodities to pilot destinations

Reference: To view and/or download the memorandum issued regarding the implementation of multiple-stop offs, click on the following Food Distribution link: (www.fns.usda.gov/fdd/fd2000/rpts/multi-stopmemo.pdf).

Scope: States are approved to participate and may submit orders with splits to three destinations.

Concept Tested: Relaxing truckload delivery policy.

Background: USDA's current policy limits stop-offs on truckload deliveries to one stop and a final. To resolve distribution and delivery problems or to address inventory issues a State may need to have more than two stop-offs for a truckload.

Project Description: The state submit orders to destinations, as needed, with stop-offs to three destinations.

Status: The pilot was extended through June 2003.

Findings: USDA did not have any difficulty filling the split orders. Additional stop-offs cost about \$50 a stop, plus freight, which depends on the location of the warehouses. Freight for dry transportation runs about \$1.35 per mile and for reefer about \$1.45.

Next Steps: In SY 2004 States will be permitted to submit orders for three stops on a limited basis. USDA will continue to monitor orders to ensure procurement and to ensure this option is only exercised to resolve operational problems on an exception basis. A memorandum was sent to States April 2003 announcing this option.

Contact Parties for further information:

State Distributing Agencies:

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Last Updated: 04/21/2003